

**Table 4.3**  
**Schools and Libraries Funding Commitments and Disbursements by State and by Type of Service**  
**Funding Year 2006: July 1, 2006 through June 30, 2007**

State/Territory	Internal Connections		Internet Access		Telecommunications		Totals	
	Funds Committed	Funds Disbursed	Funds Committed	Funds Disbursed	Funds Committed	Funds Disbursed	Funds Committed	Funds Disbursed
Alabama	\$14,061,942	\$7,130,171	\$16,837,886	\$5,370,379	\$15,579,444	\$6,157,717	\$46,479,272	\$18,658,267
Alaska	1,251,269	395,617	8,071,206	5,270,681	9,152,513	4,844,803	18,474,988	10,511,101
American Samoa	0	0	0	0	0	0	0	0
Arizona	32,580,323	10,245,766	5,385,956	1,580,240	20,431,257	2,222,080	58,397,536	14,048,086
Arkansas	1,137,426	533,042	177,691	86,430	6,816,494	2,325,403	8,131,611	2,944,875
California	85,334,905	20,482,196	17,020,188	7,566,890	136,186,359	35,980,260	238,541,452	64,029,346
Colorado	4,999,411	2,130,211	2,202,109	962,975	12,986,460	2,310,859	20,187,980	5,404,045
Connecticut	2,268,360	1,228,881	1,715,052	613,488	16,636,654	9,309,742	20,620,066	11,152,111
Delaware	0	0	35,617	2,889	749,254	22,825	784,871	25,714
District of Columbia	1,202,508	36,832	97,143	13,300	485,819	172,396	1,785,470	222,528
Florida	8,726,814	1,010,875	13,924,999	9,620,555	38,290,276	12,804,866	60,942,089	23,436,296
Georgia	16,443,131	5,734,718	7,013,010	3,224,847	26,633,063	14,823,746	50,089,204	23,783,311
Guam	0	0	431,089	0	13,643	11,071	444,732	11,071
Hawaii	72,954	26,458	661,800	129,217	2,704,917	402,027	3,439,671	557,702
Idaho	276,797	194,932	1,699,016	357,209	2,351,759	545,325	4,327,572	1,097,466
Illinois	53,356,167	10,448,326	5,324,793	1,200,971	35,862,959	11,240,370	94,543,919	22,889,667
Indiana	1,716,876	470,611	12,892,402	7,097,341	14,920,989	5,429,163	29,530,267	12,997,115
Iowa	97,137	19,731	1,930,772	1,184,990	10,474,683	5,953,707	12,502,592	7,158,428
Kansas	102,676	59,136	4,121,057	1,596,076	11,251,005	5,201,837	15,474,738	6,857,049
Kentucky	4,073,618	837,144	2,931,547	1,223,967	19,771,999	5,142,484	26,777,164	7,203,595
Louisiana	44,132,187	14,478,741	6,549,164	4,527,651	22,066,036	9,598,484	72,747,387	28,604,876
Maine	391,819	129,697	1,034,561	683,751	5,896,979	1,010,492	7,323,359	1,823,940
Maryland	904,493	78,009	1,831,808	585,206	14,002,426	2,844,242	16,738,727	3,507,457
Massachusetts	7,987,216	3,008,521	6,175,480	4,050,446	17,576,665	6,630,259	31,739,361	13,689,226
Michigan	4,415,625	1,500,775	7,052,903	4,180,122	33,161,038	6,361,855	44,629,566	12,042,752
Minnesota	1,963,778	98,043	6,812,058	1,917,357	12,651,570	4,532,062	21,427,406	6,547,462
Mississippi	15,018,322	5,900,826	1,794,852	268,371	24,645,356	7,961,352	41,458,530	14,130,549
Missouri	8,255,244	2,128,853	3,111,586	1,340,901	17,941,376	5,192,866	29,308,206	8,662,620
Montana	149,784	100,972	911,006	621,927	2,466,550	1,330,603	3,527,340	2,053,502
Nebraska	1,027,015	443,745	1,138,304	636,716	5,921,342	3,263,580	8,086,661	4,344,041
Nevada	158,856	4,199	407,745	120,109	4,866,329	375,140	5,432,930	499,448
New Hampshire	57,912	38,001	876,118	340,974	1,431,677	388,104	2,365,707	767,079
New Jersey	7,736,004	4,088,816	5,682,835	1,820,498	29,877,617	5,617,449	43,296,456	11,526,763
New Mexico	15,667,744	2,183,347	3,703,958	1,118,792	10,914,222	1,199,079	30,285,924	4,501,218
New York	75,476,718	14,974,694	11,075,406	3,969,929	104,496,999	30,017,237	191,049,123	48,961,860
North Carolina	14,445,740	2,197,499	12,320,432	5,871,528	28,206,909	13,361,942	54,973,081	21,430,969
North Dakota	1,357,391	696,741	176,096	110,092	3,891,929	2,858,198	5,425,416	3,665,031
Northern Marianas Is.	161,988	140,314	510,515	395,552	410,028	187,248	1,082,531	723,114
Ohio	20,440,191	6,194,426	15,429,000	10,747,920	41,124,872	11,654,323	76,994,063	28,596,669
Oklahoma	11,623,218	6,320,775	9,493,788	5,853,140	16,750,258	8,118,574	37,867,264	20,292,489
Oregon	895,029	275,245	4,487,164	1,232,588	9,132,132	2,169,743	14,514,325	3,677,576
Pennsylvania	8,928,448	2,379,576	12,310,149	4,451,569	40,506,940	14,672,708	61,745,537	21,503,853
Puerto Rico	474,001	38,775	2,466,462	231,287	418,665	0	3,359,128	270,062
Rhode Island	893,997	608,485	869,803	810,571	3,107,158	1,398,197	4,870,958	2,817,253
South Carolina	5,630,886	275,435	4,615,894	1,349,843	28,311,139	9,120,179	38,557,919	10,745,457
South Dakota	3,507,038	270,267	504,220	128,357	3,702,061	894,862	7,713,319	1,293,486
Tennessee	4,789,158	1,018,882	34,137,956	24,649,343	15,206,845	7,144,156	54,133,959	32,812,381
Texas	89,165,861	31,477,963	17,278,454	7,220,282	74,588,539	22,856,882	181,032,854	61,555,127
Utah	500,686	29,275	916,512	363,501	15,595,000	2,705,395	17,012,198	3,098,171
Vermont	0	0	515,388	252,064	1,092,845	267,817	1,608,233	519,881
Virgin Islands	1,367,313	342,540	2,712,140	1,521,459	638,119	0	4,717,572	1,863,999
Virginia	4,916,540	1,403,219	6,734,297	1,971,214	22,216,155	9,506,468	33,866,992	12,880,901
Washington	2,074,727	1,090,920	1,962,470	113,641	16,130,528	3,442,093	20,167,725	4,646,654
West Virginia	406,669	0	1,280,066	1,033,250	8,869,253	2,209,525	10,555,988	3,242,775
Wisconsin	349,248	81,334	2,490,775	1,026,675	12,975,190	2,350,716	15,815,213	3,458,725
Wyoming	406,167	215,706	186,531	40,699	3,413,057	290,340	4,005,755	546,745
<b>Totals</b>	<b>\$583,379,327</b>	<b>\$165,199,263</b>	<b>\$292,029,229</b>	<b>\$142,659,770</b>	<b>\$1,035,503,351</b>	<b>\$326,432,851</b>	<b>\$1,910,911,907</b>	<b>\$634,291,884</b>

Source: Raw data provided by the Universal Service Administrative Company, rollups performed by Industry Analysis and Technology Division, Wireline Competition Bureau, FCC.

Activity through June 30, 2007. Because of the appeals process, funding commitments and disbursements can be made after the end of the program year. Also, disbursements may continue beyond the end of the program year in the event of delayed internal connections installation. Other adjustments and corrections may also be made.

**Table 4.4**  
**Schools and Libraries Fund Disbursements by Service Provider Type**

**Fund Year 2004: July 1, 2004 through June 30, 2005**

Service Provider Type	Service Provider sent bill to USAC using FCC Form 474	Schools and Libraries sent bill to USAC using FCC Form 472	Total Payments
Cellular Carriers	\$15,598,189	\$33,682,230	\$49,280,419
Competitive Access Providers	82,332,968	60,911,655	143,244,623
Interexchange Carriers	21,738,364	31,167,412	52,905,776
Internet Service Providers	63,113,112	21,357,611	84,470,723
Local Exchange Carriers	173,313,851	320,365,582	493,679,433
Local Resellers	68,961,258	17,583,570	86,544,828
Non-telecommunications Providers	399,355,165	29,744,471	429,099,635
Operator Service Providers	0	1,218	1,218
Other Local Carriers	43,517,192	8,417,663	51,934,855
Other Mobile Carriers	744,097	331	744,428
Other Toll Carriers	1,040,947	1,203,296	2,244,243
Paging Carriers	703,773	1,206,498	1,910,271
Payphone Providers	1,323	13,869	15,192
Private Line Providers	21,538,805	4,375,289	25,914,093
Satellite Providers	12,126,173	364,078	12,490,251
Shared Tenant Providers	4,482	13,646	18,128
Specialized Mobile Radio Providers	374,269	890,078	1,264,347
Toll Resellers	3,253,606	4,367,453	7,621,059
Wireless Data Carriers	28,752,065	1,654,427	30,406,492
Not Specified	858,789	91,770	950,559
<b>Total All Types</b>	<b>\$937,328,425</b>	<b>\$537,412,148</b>	<b>\$1,474,740,573</b>

Note: Funds disbursed through March 31, 2007.

Source: Universal Service Administrative Company, *Federal Universal Service Support Mechanisms Fund Size Projections for the Third Quarter 2007*, Appendix SL14.

**Table 4.4**  
**Schools and Libraries Fund Cumulative Disbursements by Service Provider Type**  
**Fund Year 2005: July 1, 2005 through June 30, 2006**

Service Provider Type	Service Provider sent bill to USAC using FCC Form 474	Schools and Libraries sent bill to USAC using FCC Form 472	Total Payments
Cellular Carriers	\$16,679,988	\$39,556,774	\$56,236,762
Competitive Access Providers	72,134,493	59,318,965	131,453,458
Interexchange Carriers	24,054,292	26,716,826	50,771,118
Internet Service Providers	60,180,072	20,267,135	80,447,207
Local Exchange Carriers	189,791,994	302,875,912	492,667,906
Local Resellers	54,557,314	12,786,813	67,344,127
Non-telecommunications Providers	222,658,363	28,069,179	250,727,542
Operator Service Providers	49,500	3,394	52,894
Other Local Carriers	22,192,966	8,769,353	30,962,318
Other Mobile Carriers	194,490	127	194,617
Other Toll Carriers	1,286,591	194,689	1,481,280
Paging Carriers	155,272	1,141,361	1,296,632
Payphone Providers	0	0	0
Private Line Providers	16,044,559	4,544,502	20,589,062
Satellite Providers	5,722,214	280,001	6,002,215
Shared Tenant Providers	17,594	79,095	96,689
Specialized Mobile Radio Providers	614,160	1,113,059	1,727,219
Toll Resellers	4,169,251	4,966,530	9,135,781
Wireless Data Providers	17,662,920	3,414,762	21,077,682
Not Specified	222,585	139,123	361,709
<b>Total All Types</b>	<b>\$708,388,616</b>	<b>\$514,237,600</b>	<b>\$1,222,626,217</b>

Note: Funds disbursed through March 31, 2007. Because of the appeals process, funding commitments and disbursements have been made after the end of the program year. Also, disbursements may continue beyond the end of the program year in the event of delayed internal connections installation. Other adjustments and corrections may also be made.

Source: Universal Service Administrative Company, *Federal Universal Service Support Mechanisms Fund Size Projections for the Third Quarter 2007*, Appendix SL17.

**Table 4.4**  
**Schools and Libraries Fund Disbursements by Service Provider Type**  
**Fund Year 2006: July 1, 2006 through June 30, 2007**

Service Provider Type	Service Provider sent bill to USAC using FCC Form 474	Schools and Libraries sent bill to USAC using FCC Form 472	Total Payments
Competitive Access Providers	\$28,962,062	\$11,082,665	\$40,044,727
Cellular Carriers	9,650,861	3,746,411	13,397,272
Wireless Data Carriers	13,755,026	573,401	14,328,427
Internet Service Providers	38,955,506	2,399,551	41,355,057
Interexchange Carriers	11,826,782	3,004,123	14,830,905
Local Exchange Carriers	48,191,296	44,537,780	92,729,076
Local Resellers	25,804,174	1,244,331	27,048,505
Non-telecommunications Providers	48,191,565	2,274,034	50,465,599
Other Local Carriers	10,147,332	1,544,249	11,691,581
Other Mobile Carriers	282,870	0	282,870
Other Toll Carriers	618,036	20,452	638,488
Paging Carriers	49,856	101,432	151,288
Private Line Providers	7,830,365	190,056	8,020,420
Satellite Providers	172,661	22,547	195,208
Specialized Mobile Radio Providers	636,666	183,075	819,742
Shared Tenant Providers	4,766	0	4,766
Toll Resellers	4,041,863	834,164	4,876,027
Not Specified	213,870	58,320	272,190
<b>Total All Types</b>	<b>\$249,335,557</b>	<b>\$71,816,591</b>	<b>\$321,152,148</b>

Note: Funds disbursed through March 31, 2007. Because of the appeals process, funding commitments and disbursements have been made after the end of the program year. Also, disbursements may continue beyond the end of the program year in the event of delayed internal connections installation. Other adjustments and corrections may also be made.

Source: Universal Service Administrative Company, *Federal Universal Service Support Mechanisms Fund Size Projections for the Third Quarter 2007*, Appendix SL20.

**Table 4.5**  
**Schools and Libraries Funding Commitments and Disbursements per Student by State**

*Funding Year 2004: July 1, 2004 through June 30, 2005*

State/Territory	Students in Public Schools <sup>1</sup>	Funds Committed	Funds Committed per Student	Funds Disbursed	Funds Disbursed per Student	Unused Funding Commitments	Unused Commitments per Student
Alabama	730,140	\$25,979,075	\$35.58	\$21,669,724	\$29.68	\$4,309,351	\$5.90
Alaska	132,970	19,029,693	143.11	15,414,544	115.92	3,615,149	27.19
American Samoa	16,126	2,194,572	136.09	2,101,584	130.32	92,988	5.77
Arizona	1,043,298	57,458,298	55.07	35,600,358	34.12	21,857,940	20.95
Arkansas	463,115	19,192,541	41.44	12,868,161	27.79	6,324,380	13.66
California	6,441,557	257,035,755	39.90	174,645,639	27.11	82,390,116	12.79
Colorado	785,976	26,302,045	34.34	20,789,535	27.14	5,512,510	7.20
Connecticut	577,390	32,303,694	55.95	19,614,392	33.97	12,689,302	21.98
Delaware	119,091	461,661	3.88	394,791	3.32	66,870	0.56
Dist. of Columbia	76,714	10,663,833	139.01	6,329,055	82.50	4,334,778	56.51
Florida	2,639,336	64,008,215	24.25	47,940,471	18.16	16,067,744	6.09
Georgia	1,553,437	67,182,523	43.25	48,120,112	30.98	19,062,411	12.27
Guam	30,605	5,811,558	189.89	4,671,039	152.62	1,140,519	37.27
Hawaii	183,185	3,192,205	17.43	1,786,165	9.75	1,406,040	7.68
Idaho	256,084	3,671,411	14.34	2,476,153	9.67	1,195,258	4.67
Illinois	2,097,503	88,750,317	42.31	57,945,005	27.63	30,805,312	14.69
Indiana	1,021,348	17,908,195	17.53	13,734,821	13.45	4,173,374	4.09
Iowa	478,319	14,121,735	29.52	9,926,128	20.75	4,195,607	8.77
Kansas	469,136	15,496,037	33.03	12,482,186	26.61	3,013,851	6.42
Kentucky	674,796	32,676,796	48.42	21,115,189	31.29	11,561,607	17.13
Louisiana	724,281	45,934,410	63.42	33,259,601	45.92	12,674,809	17.50
Maine	198,820	7,229,367	36.36	5,498,009	27.65	1,731,358	8.71
Maryland	865,561	22,886,322	26.44	11,737,266	13.56	11,149,056	12.88
Massachusetts	975,574	25,596,372	26.24	19,588,812	20.08	6,007,560	6.16
Michigan	1,750,919	50,058,036	28.59	31,544,755	18.02	18,513,281	10.57
Minnesota	838,503	22,261,610	26.55	18,168,086	21.67	4,093,524	4.88
Mississippi	495,376	43,585,179	87.98	30,532,332	61.63	13,052,847	26.35
Missouri	905,449	37,083,747	40.96	30,341,565	33.51	6,742,182	7.45
Montana	146,705	4,563,508	31.11	3,615,196	24.64	948,312	6.46
Nebraska	285,761	7,637,028	26.73	6,604,573	23.11	1,032,455	3.61
Nevada	400,083	4,037,790	10.09	2,942,708	7.36	1,095,082	2.74
New Hampshire	206,852	2,287,184	11.06	1,563,428	7.56	723,756	3.50
New Jersey	1,393,347	49,044,073	35.20	32,489,043	23.32	16,555,030	11.88
New Mexico	326,102	36,298,923	111.31	23,182,470	71.09	13,116,453	40.22
New York	2,836,337	357,917,612	126.19	149,236,964	52.62	208,680,648	73.57
North Carolina	1,385,754	43,371,920	31.30	34,874,512	25.02	8,697,408	6.28
North Dakota	100,513	4,205,210	41.84	3,652,014	36.33	553,196	5.50
Northern Mariana Is.	11,601	1,988,801	171.43	1,365,801	117.73	623,000	53.70
Ohio	1,840,032	66,383,929	36.08	50,785,665	27.60	15,598,264	8.48
Oklahoma	629,476	51,911,039	82.47	38,647,471	61.40	13,263,568	21.07
Oregon	552,322	15,196,233	27.51	11,530,181	20.88	3,666,052	6.64
Pennsylvania	1,828,089	76,592,485	41.90	62,307,319	34.08	14,285,166	7.81
Puerto Rico	575,648	3,271,396	5.68	2,007,417	3.49	1,263,979	2.20
Rhode Island	156,498	6,140,126	39.23	4,954,193	31.66	1,185,933	7.58
South Carolina	703,736	39,652,583	56.35	27,262,511	38.74	12,390,072	17.61
South Dakota	122,798	6,406,203	52.17	4,942,810	40.25	1,463,393	11.92
Tennessee	941,091	44,616,220	47.41	35,502,183	37.72	9,114,037	9.68
Texas	4,405,215	287,987,673	65.37	194,066,015	44.06	93,901,658	21.32
Utah	503,607	16,439,644	32.64	8,719,629	17.31	7,720,015	15.33
Vermont	98,352	1,744,048	17.73	1,245,886	12.67	498,162	5.07
Virgin Islands	16,429	6,541,588	398.17	4,328,714	263.48	2,212,874	134.69
Virginia	1,204,739	27,197,573	22.58	22,868,549	18.98	4,329,024	3.59
Washington	1,020,005	20,332,565	19.93	15,613,173	15.31	4,719,392	4.63
West Virginia	280,129	8,946,648	31.94	6,388,353	22.81	2,558,295	9.13
Wisconsin	864,757	24,645,187	28.50	19,636,442	22.71	5,008,745	5.79
Wyoming	84,733	2,196,182	25.92	1,806,058	21.31	390,124	4.60
<b>Totals</b>	<b>49,445,320</b>	<b>\$2,235,628,573</b>	<b>\$45.21</b>	<b>\$1,482,254,756</b>	<b>\$29.98</b>	<b>\$753,373,817</b>	<b>\$15.24</b>

Source: Raw funding data provided by the Universal Service Administrative Company, rollups performed by Industry Analysis and Technology Division, Wireline Competition Bureau, FCC.

Activity through June 30, 2007. Because of the appeals process, funding commitments and disbursements can be made after the end of the program year. Also, disbursements may continue beyond the end of the program year in the event of delayed internal connections installation. Other adjustments and corrections may also be made.

<sup>1</sup> Estimate of the students enrolled in fall of 2004. Although private schools are eligible for funding, state-by-state enrollment data were not available. Figures do not include any students in Defense Department or Bureau of Indian Affairs schools. Data from the U.S. Department of Education at [nces.ed.gov/ccd/bat](http://nces.ed.gov/ccd/bat).

**Table 4.5**  
**Schools and Libraries Funding Commitments and Disbursements per Student by State**

*Funding Year 2005: July 1, 2005 through June 30, 2006*

State/Territory	Students in Public Schools <sup>1</sup>	Funds Committed	Funds Committed per Student	Funds Disbursed	Funds Disbursed per Student	Unused Funding Commitments	Unused Commitments per Student
Alabama	741,758	\$34,686,505	\$46.76	\$25,793,522	\$34.77	\$8,892,983	\$11.99
Alaska	133,288	18,540,438	139.10	16,523,999	123.97	2,016,439	15.13
American Samoa	16,399	0	0.00	0	0.00	0	0.00
Arizona	1,094,454	42,028,584	38.40	25,160,054	22.99	16,868,530	15.41
Arkansas	474,206	18,119,675	38.21	12,247,000	25.83	5,872,675	12.38
California	6,437,202	295,041,865	45.83	167,294,612	25.99	127,747,253	19.85
Colorado	779,826	24,039,309	30.83	14,888,633	19.09	9,150,676	11.73
Connecticut	575,059	21,206,966	36.88	17,197,532	29.91	4,009,434	6.97
Delaware	120,937	896,122	7.41	743,613	6.15	152,509	1.26
Dist. of Columbia	76,876	1,393,543	18.13	817,903	10.64	575,640	7.49
Florida	2,675,024	63,444,513	23.72	48,559,266	18.15	14,885,247	5.56
Georgia	1,598,461	67,357,073	42.14	46,871,055	29.32	20,486,018	12.82
Guam	30,986	3,676,431	118.65	2,175,963	70.22	1,500,468	48.42
Hawaii	182,818	4,024,386	22.01	2,198,793	12.03	1,825,593	9.99
Idaho	261,982	4,429,466	16.91	3,329,928	12.71	1,099,538	4.20
Illinois	2,111,706	98,753,181	46.76	49,196,327	23.30	49,556,854	23.47
Indiana	1,035,074	26,320,052	25.43	17,749,884	17.15	8,570,168	8.28
Iowa	483,482	12,977,222	26.84	9,562,267	19.78	3,414,955	7.06
Kansas	467,285	14,377,851	30.77	9,324,099	19.95	5,053,752	10.82
Kentucky	679,878	31,258,847	45.98	16,957,873	24.94	14,300,974	21.03
Louisiana	654,526	52,305,304	79.91	34,909,358	53.34	17,395,946	26.58
Maine	195,498	6,993,523	35.77	5,263,785	26.93	1,729,738	8.85
Maryland	860,020	16,469,363	19.15	8,240,162	9.58	8,229,201	9.57
Massachusetts	971,909	28,419,286	29.24	20,117,563	20.70	8,301,723	8.54
Michigan	1,741,845	69,936,059	40.15	25,487,848	14.63	44,448,211	25.52
Minnesota	839,243	22,400,539	26.69	18,744,442	22.33	3,656,097	4.36
Mississippi	494,954	40,745,024	82.32	30,093,310	60.80	10,651,714	21.52
Missouri	917,705	34,451,657	37.54	18,026,275	19.64	16,425,382	17.90
Montana	145,416	3,741,049	25.73	2,909,546	20.01	831,503	5.72
Nebraska	286,646	7,908,891	27.59	6,898,806	24.07	1,010,085	3.52
Nevada	412,395	6,167,237	14.95	4,906,778	11.90	1,260,459	3.06
New Hampshire	205,767	1,994,011	9.69	1,278,766	6.21	715,245	3.48
New Jersey	1,395,602	50,468,381	36.16	28,297,915	20.28	22,170,466	15.89
New Mexico	326,758	35,747,335	109.40	18,079,394	55.33	17,667,941	54.07
New York	2,815,581	197,184,284	70.03	110,275,362	39.17	86,908,922	30.87
North Carolina	1,416,436	63,013,415	44.49	44,834,436	31.65	18,178,979	12.83
North Dakota	98,283	3,546,005	36.08	3,262,265	33.19	283,740	2.89
Northern Mariana Is.	11,718	1,154,104	98.49	885,051	75.53	269,053	22.96
Ohio	1,839,683	66,884,786	36.36	51,675,465	28.09	15,209,321	8.27
Oklahoma	634,739	50,644,635	79.79	28,407,619	44.75	22,237,016	35.03
Oregon	552,194	10,500,273	19.02	8,312,935	15.05	2,187,338	3.96
Pennsylvania	1,830,684	67,330,867	36.78	52,376,689	28.61	14,954,178	8.17
Puerto Rico	563,490	2,329,385	4.13	1,490,674	2.65	838,711	1.49
Rhode Island	153,422	5,156,960	33.61	4,101,148	26.73	1,055,812	6.88
South Carolina	701,544	42,186,482	60.13	27,628,738	39.38	14,557,744	20.75
South Dakota	122,012	5,532,819	45.35	4,462,145	36.57	1,070,674	8.78
Tennessee	953,928	53,252,424	55.82	42,491,961	44.54	10,760,563	11.28
Texas	4,525,394	219,009,161	48.40	140,614,639	31.07	78,394,522	17.32
Utah	508,430	15,598,354	30.68	11,604,928	22.83	3,993,426	7.85
Vermont	96,638	1,793,324	18.56	1,364,177	14.12	429,147	4.44
Virgin Islands	16,750	4,062,164	242.52	2,171,940	129.67	1,890,224	112.85
Virginia	1,214,472	28,281,104	23.29	23,580,804	19.42	4,700,300	3.87
Washington	1,031,985	20,378,941	19.75	12,258,602	11.88	8,120,339	7.87
West Virginia	280,866	11,199,403	39.87	7,731,854	27.53	3,467,549	12.35
Wisconsin	875,174	27,218,572	31.10	14,128,312	16.14	13,090,260	14.96
Wyoming	84,409	3,729,876	44.19	3,253,511	38.54	476,365	5.64
<b>Totals</b>	<b>49,752,817</b>	<b>\$2,060,307,026</b>	<b>\$41.41</b>	<b>\$1,306,759,426</b>	<b>\$26.27</b>	<b>\$753,547,600</b>	<b>\$15.15</b>

Source: Raw funding data provided by the Universal Service Administrative Company, rollups performed by Industry Analysis and Technology Division, Wireline Competition Bureau, FCC.

Activity through June 30, 2007. Because of the appeals process, funding commitments and disbursements can be made after the end of the program year. Also, disbursements may continue beyond the end of the program year in the event of delayed internal connections installation. Other adjustments and corrections may also be made.

<sup>1</sup> Estimate of the students enrolled in fall of 2005. Although private schools are eligible for funding, state-by-state enrollment data were not available. Figures do not include any students in Defense Department or Bureau of Indian Affairs schools. Data from the U.S. Department of Education at [nces.ed.gov/ipeds/data/](http://nces.ed.gov/ipeds/data/).



**Table 4.6**  
**Commitments per Student**  
**Activity through June 6, 2007**

Service Type	Funding Year 2003 Commitments		Funding Year 2004 Commitments		Funding Year 2005 Commitments		Funding Year 2006 Commitments	
	(Millions)	Per Student <sup>1</sup>	(Millions)	Per Student <sup>2</sup>	(Millions)	Per Student <sup>3</sup>	(Millions)	Per Student <sup>4</sup>
Internal Connections	\$1,520	\$30.90	\$1,048	\$21.19	\$832	\$16.71	\$583	\$11.73
Internet Access	\$278	\$5.65	\$242	\$4.89	\$266	\$5.35	\$292	\$5.87
Telecommunications	\$893	\$18.15	\$946	\$19.13	\$962	\$19.34	\$1,036	\$20.81
Total	\$2,691	\$54.70	\$2,236	\$45.21	\$2,060	\$41.41	\$1,911	\$38.41

**Table 4.7**  
**Disbursements per Student**  
**Activity through June 6, 2007**

Service Type	Funding Year 2003 Disbursements		Funding Year 2004 Disbursements		Funding Year 2005 Disbursements		Funding Year 2006 Disbursements	
	(Millions)	Per Student <sup>1</sup>	(Millions)	Per Student <sup>2</sup>	(Millions)	Per Student <sup>3</sup>	(Millions)	Per Student <sup>4</sup>
Internal Connections	\$1,064	\$21.62	\$616	\$12.46	\$392	\$7.88	\$165	\$3.32
Internet Access	\$203	\$4.12	\$189	\$3.83	\$206	\$4.14	\$143	\$2.87
Telecommunications	\$647	\$13.14	\$677	\$13.69	\$709	\$14.24	\$326	\$6.56
Total	\$1,913	\$38.89	\$1,482	\$29.98	\$1,307	\$26.27	\$634	\$12.75

Note: Data will be revised as further disbursements occur.

<sup>1</sup> Estimation of the number of students enrolled in the fall of the 2003 - 2004 school year (including territories) was 49.202 million.

Source: U.S. Department of Education at [nces.ed.gov/ccd/bat](http://nces.ed.gov/ccd/bat).

<sup>2</sup> Estimation of the number of students enrolled in the fall of the 2004 - 2005 school year (including territories) was 49.445 million.

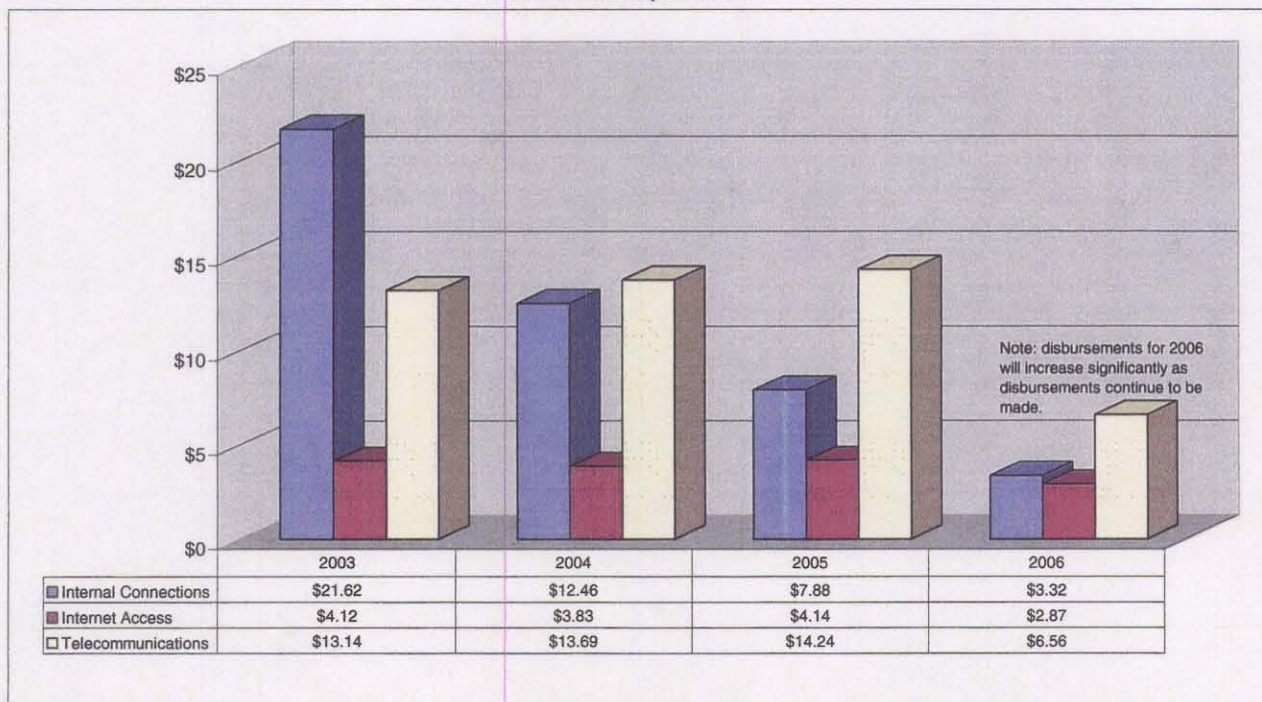
Source: U.S. Department of Education at [nces.ed.gov/ccd/bat](http://nces.ed.gov/ccd/bat).

<sup>3</sup> Estimation of the number of students enrolled in the fall of the 2005 - 2006 school year (including territories) was 49.753 million.

Source: U.S. Department of Education at [nces.ed.gov/ccd/bat](http://nces.ed.gov/ccd/bat).

<sup>4</sup> The number of students for the 2006 - 2007 school year was not available at the cutoff date for this report, so the number from the 2005 - 2006 school year was used.

**Chart 4.1**  
**Disbursements per Student**



## 5. Rural Health Care Support

The portion of the 1996 Telecommunications Act that covers universal service support for rural health care providers states that “[a] telecommunications carrier shall . . . provide telecommunications services . . . to any public or non-profit health care provider . . . at rates that are reasonably comparable to rates charged for similar services in urban areas in that state.”<sup>1</sup> The Commission’s universal service rules permit eligible health care providers<sup>2</sup> to receive support for any telecommunications service.<sup>3</sup>

In December 2004, the Commission released a *Second Order*<sup>4</sup> that modified the Commission’s rules for rural health care support. In this *Second Order*, the Commission changed its definition of rural for the purposes of the rural health care support mechanism. Now a “rural area” is an area that is not located within or near a large population base. Specifically, a “rural area” is an area that (a) is entirely outside of a Core Based Statistical Area (CBSA); (b) is within a CBSA that does not have any urban area with a population of 25,000 or greater; or (c) is in a CBSA that contains an urban area with a population of 25,000 or greater, but is within a specific census tract that itself does not contain any part of a place or urban area with a population of greater than 25,000. This new definition was effective as of Funding Year 2005 (July 1, 2005 – June 30, 2006). Several other rules also were changed. The Commission expanded funding for mobile rural health care providers by subsidizing the difference between the rate for the satellite service and the rate for an urban wireline service with a similar bandwidth. June 30 is now the final deadline for applications for support for health care providers seeking discounts for a specific funding year under the rural health care support mechanism. In addition, a rural health care provider in a state that is entirely rural may now receive support for advanced telecommunications and information services.

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1 47 U.S.C. § 254(h)(1)(A).

2 47 C.F.R. § 54.601.

3 A 1.544 Mbps (T1) maximum bandwidth cap was employed in Funding Years 1 and 2. *See Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Report and Order, 12 FCC Rcd 8776, 8952-94 (1997). The Commission removed the bandwidth cap for year three and beyond. *See Federal-State Joint Board on Universal Service*, CC Docket Nos. 97-21 and 96-45, Sixth Order on Reconsideration in CC Docket No. 97-21, Fifteenth Order on Reconsideration in CC Docket No. 96-45, 14 FCC Rcd 18756 (1999) (*Fifteenth Order on Reconsideration*).

4 *See Rural Health Care Support Mechanism*, WC Docket No. 02-60, Second Report and Order, Order on Reconsideration, and Further Notice of Proposed Rulemaking, 19 FCC Rcd 24613 (2004) (*Second Order*).



To receive funding under the Rural Health Care Program, an eligible rural health care provider seeking funding must first submit FCC Form 465 (description of services requested and certification form) to the Rural Health Care Division (RHCD).<sup>5</sup> If the RHCD determines that the health care provider is eligible, it posts the Form 465 on its website.<sup>6</sup> Twenty-eight days thereafter, the rural health care provider may contract with the most cost-effective bidder. The health care provider then fills out FCC Form 466 (Funding Request and Certification Form) and/or 466-A (Internet Service Funding Request and Certification Form), and submits it to the RHCD. Upon receipt and approval of FCC Form 466, the RHCD sends a Funding Commitment Letter to the rural health care provider. The letter explains that the request has received preliminary approval, and provides an estimate of the amount of support that can be expected. The rural health care provider must respond by submitting FCC Form 467 (receipt of service confirmation form) to verify that the service has begun. RHCD then sends a Support Schedule to the carrier and the health care provider. The carrier provides service to the rural health care provider, and then invoices the RHCD for the support amount. Upon approval of the invoice, USAC reimburses the carrier.

In September 2006, the FCC established the Rural Health Care Pilot Program to provide funding to stimulate deployment of the broadband infrastructure necessary to support innovative telehealth and telemedicine services to those areas of the country where the need for these benefits is most acute.<sup>7</sup> Specifically, the Pilot Program will provide funding to support the design and construction of state or regional broadband networks dedicated to health care and the advanced services provided over those networks, as well as connecting those networks to Internet2, National LambdaRail, Inc. (both dedicated nationwide backbones), or the public Internet.<sup>8</sup>

On November 19, 2007, the Commission released the *Rural Health Care Pilot Program Selection Order*, which selected 69 applicants covering 42 states and three U.S. territories

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5 The Rural Health Care Corporation merged into the Universal Service Administrative Company (USAC) and became the Rural Health Care Division on January 1, 1999. *See Changes to the Board of Directors of the National Exchange Carrier Association, Inc., Federal-State Joint Board on Universal Service*, CC Docket Nos. 97-21 and 96-45, Third Report and Order in CC Docket No. 97-21 and Fourth Order on Reconsideration in CC Docket No. 97-21 and Eighth Order on Reconsideration in CC Docket No. 96-45, 13 FCC Rcd 25058, 25064-65, para. 12 (1998).

6 The forms may be viewed at [www.rhc.universalservice.org/telecomcarriers/searchpostings/default.asp](http://www.rhc.universalservice.org/telecomcarriers/searchpostings/default.asp).

7 *Rural Health Care Support Mechanism*, WC Docket No. 02-60, Order, 21 FCC Rcd 11111 (2006) (*Rural Health Care Pilot Program Order*).

8 *Rural Health Care Support Mechanism*, WC Docket No. 02-60, Order on Reconsideration, 22 FCC Rcd 2555 (2007).

to participate in the Pilot Program.<sup>9</sup> The *Rural Health Care Pilot Program Selection Order* makes available to these participants approximately \$139 million in rural health care support per funding year for three years, beginning with Funding Year 2007 of the existing Rural Health Care program.<sup>10</sup> The *Rural Health Care Pilot Program Selection Order* further provides instructions to selected participants concerning submission of FCC forms to the RHCD and on Pilot Program administration.<sup>11</sup> For more information on the Pilot Program, visit the Pilot Program website.<sup>12</sup>

By rule, the Commission has established a \$400 million per funding year cap for the rural health care mechanism.<sup>13</sup> For more information on the Universal Service Program for Rural Health Care providers, visit the RHCD website.<sup>14</sup>

USAC supplied the Commission with funding commitments and disbursements information as of June 30, 2007.<sup>15</sup> Table 5.1 summarizes funding disbursements for all funding years by service speed. Tables 5.2 through 5.4 show details for Funding Years 2004 through 2006. For details on the preceding funding years, see the previous editions of the *Monitoring Report*.<sup>16</sup> Table 5.2 summarizes funding commitments and disbursements on a state-by-state basis.

Funding Year 2004 was July 1, 2004, through June 30, 2005. USAC reports that 2,999 FCC Forms 465 have been posted and that it received 4,667 Form 466 and 466-A packets, including 810 packets from applicants seeking support for Internet access only. USAC estimates Funding Year 2004 demand will be \$31.65 million.<sup>17</sup>

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9 *Rural Health Care Support Mechanism*, WC Docket No. 02-60, Order, FCC 07-198 (rel. Nov. 19, 2007) (*Rural Health Care Pilot Program Selection Order*).

10 *See id.* at para. 33.

11 *See id.* at paras. 22 to 123.

12 *See Rural Health Care Pilot Program* at <http://www.fcc.gov/cgb/rural/rhcp.html> .

13 47 C.F.R. § 54.623(a).

14 *See Rural Health Care* at <http://www.universalservice.org/rhc/> .

15 Because of the appeals process, funding commitments and disbursements may be made after the program year ended.

16 Earlier editions of the *Monitoring Reports* are available at [www.fcc.gov/wcb/iatd/monitor.html](http://www.fcc.gov/wcb/iatd/monitor.html).

17 Universal Service Administrative Company, *Federal Universal Service Support Mechanisms Fund Size Projections for the Third Quarter 2007*, <http://www.universalservice.org/about/governance/fcc-filings/2007/> at 16.

Funding Year 2005 was July 1, 2005, through June 30, 2006. USAC reports that 3,482 FCC Forms 465 have been posted and that it received 5,487 Form 466 and 466-A packets.<sup>18</sup> Of the 5,487 packets, 4,774 were completely processed, six were complete and ready to process, 535 were withdrawn by the applicant, 98 were denied, and the rest were incomplete or required clarification.<sup>19</sup> As of June 30, 2007, over \$41.7 million had been committed, and nearly \$34.4 million had been disbursed.<sup>20</sup> USAC estimates Funding Year 2005 demand will be approximately \$40.69 million.

Funding Year 2006 was July 1, 2006, through June 30, 2007. USAC reports that it received 3,043 Form 466 and 466-A packets. Of these packets, 1,611 have been completely processed, 120 are awaiting supervisory approval only, 199 are complete and ready to process, 162 have been withdrawn by the applicant, 12 have been denied, and 939 were incomplete or require clarification.<sup>21</sup> As of June 30, 2007, more than \$27.4 million had been committed, and more than \$10.3 million had been disbursed.<sup>22</sup> USAC estimates Funding Year 2006 demand will be \$100 million. The increase in funding commitments from Funding Year 2005 is due to the pilot program described above.<sup>23</sup>

Table 5.3 shows state-by-state disbursements by service speed for Funding Years 2004 through 2006. In some instances, such as with frame relay service, the service speed was not clearly identifiable. Whenever possible, the most likely speed for each service was assumed. For example, Frame Relay theoretically could be provided at voice grade speeds, but the vast majority of it is provided at broadband speeds (200K to 1.49Mb), so Frame Relay was assumed to be broadband at that level.

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- 18 Universal Service Administrative Company, *Federal Universal Service Support Mechanisms Fund Size Projections for the Third Quarter 2007*, at 16.
  - 19 Universal Service Administrative Company, *Federal Universal Service Support Mechanisms Fund Size Projections for the Third Quarter 2007* at 17.
  - 20 See Table 5.2.
  - 21 Universal Service Administrative Company, *Federal Universal Service Support Mechanisms Fund Size Projections for the Third Quarter 2007*, at 18.
  - 22 See Table 5.2.
  - 23 Universal Service Administrative Company, *Federal Universal Service Support Mechanisms Fund Size Projections for the Third Quarter 2007*, at 18.

Table 5.4 shows, for Funding Years 2004 and 2006, state-by-state disbursements from the Rural Health Care Support Mechanism, the population of the rural areas, and the disbursements per person in rural areas.

**Table 5.1**  
**Rural Health Care Funding Disbursements by Funding Year**

<b>Funding Year</b>	<b>Voice Grade</b>	<b>Broadband</b>		<b>Other Service or Speed Unknown</b>	<b>Total</b>
	<b>56K to 199K</b>	<b>200K to 1.49Mb</b>	<b>1.5Mb and faster</b>		
1998	\$202,778	\$880,375	\$2,292,252	\$0	\$3,375,405
1999	452,992	1,073,816	2,719,619	58,132	4,304,559
2000	613,595	3,015,004	6,685,573	0	10,314,172
2001	319,539	8,110,537	10,125,267	0	18,555,343
2002	428,506	10,660,185	10,528,679	0	21,617,369
2003	477,146	11,353,665	13,572,815	7,559	25,411,185
2004	588,599	11,798,524	16,997,168	117,111	29,501,402
2005	805,153	15,266,288	17,965,181	362,936	34,399,557
2006	114,931	4,681,973	5,508,965	54,021	10,359,890

Note: Disbursements through June 30, 2007. Because of the appeals process, funding commitments and disbursements may be made after the program year ended.

Source: USAC data. Rollups performed by the Industry Analysis and Technology Division, Wireline Competition Bureau, FCC.

**Table 5.2**  
**Rural Health Care Funding Commitments and Disbursements by State**

**Funding Year 2004: July 1, 2004 through June 30, 2005**

State	Total Funds Committed	Providers Receiving Support	Total Funds Disbursed	Providers Receiving Support
Alabama	\$18,693	5	\$17,243	5
Alaska	20,555,405	229	16,312,290	186
American Samoa	0	0	0	0
Arizona	1,207,764	73	1,016,322	55
Arkansas	163,213	34	103,876	26
California	564,724	76	527,222	72
Colorado	155,686	16	136,171	15
Connecticut	0	0	0	0
Delaware	0	0	0	0
District of Columbia	0	0	0	0
Florida	351,825	53	166,461	12
Georgia	216,861	21	207,353	16
Guam	0	0	0	0
Hawaii	305,536	21	242,690	19
Idaho	136,905	28	116,374	27
Illinois	597,529	68	541,580	59
Indiana	175,949	9	134,993	9
Iowa	218,683	53	205,127	47
Kansas	547,697	73	491,574	64
Kentucky	919,990	202	839,753	156
Louisiana	7,536	6	7,536	6
Maine	42,258	11	37,716	10
Maryland	0	0	0	0
Massachusetts	1,638	1	1,638	1
Michigan	835,089	75	660,623	62
Minnesota	1,030,301	139	982,738	133
Mississippi	175,424	25	164,365	16
Missouri	124,185	29	86,101	16
Montana	582,426	62	505,879	55
Nebraska	857,484	76	740,221	69
Nevada	64,099	10	35,353	6
New Hampshire	5,388	2	5,103	2
New Jersey	0	0	0	0
New Mexico	276,523	55	205,718	41
New York	41,782	8	7,274	1
North Carolina	199,975	22	190,241	17
North Dakota	577,294	89	551,066	86
Northern Mariana Is.	4,938	7	0	0
Ohio	196,045	10	178,257	10
Oklahoma	168,105	35	157,412	30
Oregon	40,054	11	37,903	11
Pennsylvania	80,716	17	57,618	12
Puerto Rico	0	0	0	0
Rhode Island	0	0	0	0
South Carolina	45,433	11	38,528	9
South Dakota	574,325	76	510,834	65
Tennessee	97,352	29	82,213	20
Texas	451,913	37	437,176	36
Utah	661,538	36	641,212	35
Vermont	35,336	9	31,970	8
Virgin Islands	113,841	12	111,881	12
Virginia	364,973	50	350,736	50
Washington	88,533	31	70,642	26
West Virginia	131,324	20	97,714	13
Wisconsin	1,459,699	170	1,348,233	152
Wyoming	109,001	9	108,468	8
<b>Totals</b>	<b>\$35,580,991</b>	<b>2,141</b>	<b>\$29,501,402</b>	<b>1,786</b>

Note: Disbursements through June 30, 2007. Because of the appeals process, funding commitments and disbursements may be made after the program year ended.

Source: USAC data. Rollups performed by the Industry Analysis and Technology Division, Wireline Competition Bureau, FCC.

**Table 5.2**  
**Rural Health Care Funding Commitments and Disbursements by State**

**Funding Year 2005: July 1, 2005 through June 30, 2006**

State	Total Funds Committed	Providers Receiving Commitments	Total Funds Disbursed	Providers Receiving Support
Alabama	\$339,679	121	\$299,451	97
Alaska	21,747,418	237	19,814,812	217
American Samoa	0	0	0	0
Arizona	1,451,093	71	990,613	38
Arkansas	118,644	24	31,216	10
California	538,387	74	358,908	35
Colorado	131,810	15	107,569	11
Connecticut	0	0	0	0
Delaware	0	0	0	0
District of Columbia	0	0	0	0
Florida	181,718	15	104,955	8
Georgia	550,062	60	438,924	40
Guam	3,642	1	0	0
Hawaii	237,388	20	184,004	17
Idaho	123,670	28	93,739	20
Illinois	562,103	50	388,188	32
Indiana	195,019	11	101,297	7
Iowa	310,607	55	251,434	40
Kansas	504,173	78	165,695	30
Kentucky	244,242	87	193,693	53
Louisiana	853,489	45	738,256	33
Maine	47,358	19	3,883	2
Maryland	418	1	0	0
Massachusetts	35,487	2	35,375	2
Michigan	789,641	62	710,776	50
Minnesota	1,493,255	162	1,247,711	141
Mississippi	208,293	25	195,618	17
Missouri	90,996	21	76,890	14
Montana	526,640	59	439,589	50
Nebraska	1,632,066	93	1,133,386	77
Nevada	37,478	7	0	0
New Hampshire	4,873	2	4,816	1
New Jersey	0	0	0	0
New Mexico	404,849	45	232,056	24
New York	41,876	15	27,062	8
North Carolina	152,304	16	145,615	12
North Dakota	760,284	88	673,456	79
Northern Mariana Is.	0	0	0	0
Ohio	167,869	9	80,087	2
Oklahoma	232,458	26	91,098	7
Oregon	11,868	9	0	0
Pennsylvania	85,746	11	55,857	7
Puerto Rico	0	0	0	0
Rhode Island	0	0	0	0
South Carolina	57,699	16	51,051	15
South Dakota	995,541	80	832,671	60
Tennessee	178,764	40	166,560	34
Texas	1,631,984	65	895,902	21
Utah	752,228	36	437,145	31
Vermont	82,653	12	82,653	12
Virgin Islands	101,021	11	41,465	7
Virginia	344,120	57	262,524	45
Washington	82,778	27	35,954	11
West Virginia	138,870	21	92,172	14
Wisconsin	2,436,036	223	2,010,774	186
Wyoming	125,409	13	74,656	9
Totals	\$41,744,006	2,265	\$34,399,557	1,626

Note: Disbursements through June 30, 2007. Because of the appeals process, funding commitments and disbursements may be made after the program year ended.

Source: USAC data. Rollups performed by the Industry Analysis and Technology Division, Wireline Competition Bureau, FCC.



**Table 5.2**  
**Rural Health Care Funding Commitments and Disbursements by State**

**Funding Year 2006: July 1, 2006 through June 30, 2007**

State	Total Funds Committed	Providers Receiving Support	Total Funds Disbursed	Providers Receiving Support
Alabama	\$2,051	1	\$0	0
Alaska	17,082,480	154	6,880,041	74
American Samoa	0	0	0	0
Arizona	776,218	40	133,711	8
Arkansas	48,495	15	1,472	4
California	164,756	49	38,709	15
Colorado	26,448	7	377	1
Connecticut	0	0	0	0
Delaware	0	0	0	0
District of Columbia	0	0	0	0
Florida	142,844	13	11,519	2
Georgia	552,745	47	226,967	7
Guam	0	0	0	0
Hawaii	214,309	18	0	0
Idaho	74,010	19	26,389	7
Illinois	309,335	32	143,659	15
Indiana	264,093	17	22,737	5
Iowa	207,217	36	44,126	11
Kansas	311,768	51	15,450	12
Kentucky	110,161	26	7,779	11
Louisiana	58,354	16	36,377	9
Maine	1,341	1	0	0
Maryland	0	0	0	0
Massachusetts	52,751	2	43,443	2
Michigan	506,243	32	45,318	6
Minnesota	955,234	114	322,944	51
Mississippi	43,036	13	15,220	8
Missouri	105,734	16	53,335	4
Montana	386,290	42	144,473	16
Nebraska	781,635	55	487,548	41
Nevada	6,308	5	0	0
New Hampshire	0	0	0	0
New Jersey	0	0	0	0
New Mexico	137,073	38	11,736	2
New York	64,545	16	36,979	7
North Carolina	15,924	7	1,931	1
North Dakota	492,457	66	278,353	51
Northern Mariana Is.	0	0	0	0
Ohio	51,829	5	17,930	1
Oklahoma	297,803	28	2,363	1
Oregon	52,866	6	0	0
Pennsylvania	13,085	4	1,323	1
Puerto Rico	0	0	0	0
Rhode Island	0	0	0	0
South Carolina	39,030	12	29,170	10
South Dakota	709,740	43	549,697	36
Tennessee	76,283	10	54,915	6
Texas	282,901	43	0	0
Utah	257,815	23	162,517	21
Vermont	114,031	19	76,357	13
Virgin Islands	46,584	10	42,702	10
Virginia	654,900	113	110,335	17
Washington	31,498	17	2,012	1
West Virginia	77,785	11	3,531	1
Wisconsin	784,997	102	232,996	49
Wyoming	99,989	7	43,448	4
<b>Totals</b>	<b>\$27,484,990</b>	<b>1,401</b>	<b>\$10,359,890</b>	<b>541</b>

Note: Disbursements through June 30, 2007. Because of the appeals process, funding commitments and disbursements may be made after the program year ended.

Source: USAC data. Rollups performed by the Industry Analysis and Technology Division, Wireline Competition Bureau, FCC.

**Table 5.3**  
**Disbursements by Service Speeds Acquired by Rural Health Care Providers**  
**Funding Year 2004: July 1, 2004 through June 30, 2005**

State	Voice Grade	Broadband		Other Service or Speed Unknown	Total
	56K to 199K	200K to 1.49Mb	1.5Mb and faster		
Alabama	\$0	\$1,360	\$15,883	\$0	\$17,243
Alaska	27,138	9,019,547	7,265,606	0	16,312,290
American Samoa	0	0	0	0	0
Arizona	0	134,580	881,742	0	1,016,322
Arkansas	3,160	23,983	76,734	0	103,876
California	175,792	42,919	308,511	0	527,222
Colorado	16,168	11,639	108,365	0	136,171
Connecticut	0	0	0	0	0
Delaware	0	0	0	0	0
District of Columbia	0	0	0	0	0
Florida	0	7,819	158,642	0	166,461
Georgia	0	33,460	173,894	0	207,353
Guam	0	0	0	0	0
Hawaii	0	6,586	236,103	0	242,690
Idaho	0	41,220	75,154	0	116,374
Illinois	0	69,847	471,732	0	541,580
Indiana	0	586	134,407	0	134,993
Iowa	24,432	29,716	150,979	0	205,127
Kansas	23,000	279,121	189,453	0	491,574
Kentucky	0	346,133	493,620	0	839,753
Louisiana	0	2,017	5,519	0	7,536
Maine	21,565	11,750	4,401	0	37,716
Maryland	0	0	0	0	0
Massachusetts	0	139	0	1,500	1,638
Michigan	8,395	53,684	598,544	0	660,623
Minnesota	2,952	155,658	788,516	35,612	982,738
Mississippi	0	15,009	149,356	0	164,365
Missouri	0	15,960	70,141	0	86,101
Montana	0	42,871	463,007	0	505,879
Nebraska	0	66,653	673,588	0	740,221
Nevada	0	0	35,353	0	35,353
New Hampshire	207	0	4,896	0	5,103
New Jersey	0	0	0	0	0
New Mexico	0	113,521	92,197	0	205,718
New York	1,975	1,200	4,099	0	7,274
North Carolina	0	9,022	181,219	0	190,241
North Dakota	10,715	243,338	297,013	0	551,066
Northern Mariana Is.	0	0	0	0	0
Ohio	148	0	158,550	19,560	178,257
Oklahoma	0	95,598	57,812	4,002	157,412
Oregon	0	12,842	25,061	0	37,903
Pennsylvania	6,911	10,310	40,398	0	57,618
Puerto Rico	0	0	0	0	0
Rhode Island	0	0	0	0	0
South Carolina	0	23,990	14,538	0	38,528
South Dakota	4,859	50,582	455,393	0	510,834
Tennessee	0	38,505	43,708	0	82,213
Texas	0	193,150	244,026	0	437,176
Utah	0	121,019	520,192	0	641,212
Vermont	0	18,478	13,492	0	31,970
Virgin Islands	1,987	15,412	94,481	0	111,881
Virginia	0	155,750	194,987	0	350,736
Washington	0	13,076	57,566	0	70,642
West Virginia	4,095	13,578	80,041	0	97,714
Wisconsin	255,101	207,643	829,052	56,438	1,348,233
Wyoming	0	49,255	59,214	0	108,468
Totals	\$588,599	\$11,798,524	\$16,997,168	\$117,111	\$29,501,402

Note: Disbursements through June 30, 2007. Because of the appeals process, funding commitments and disbursements may be made after the program year ended.

Source: USAC data. Rollups performed by the Industry Analysis and Technology Division, Wireline Competition Bureau, FCC.

**Table 5.3**  
**Disbursements by Service Speeds Acquired by Rural Health Care Providers**  
**Funding Year 2005: July 1, 2005 through June 30, 2006**

State	Voice Grade	Broadband		Other Service or Speed Unknown	Total
	56K to 199K	200K to 1.49Mb	1.5Mb and faster		
Alabama	\$9,617	\$272,164	\$17,669	\$0	\$299,451
Alaska	29,522	11,803,472	7,981,818	0	19,814,812
American Samoa	0	0	0	0	0
Arizona	0	55,676	934,938	0	990,613
Arkansas	0	14,621	16,594	0	31,216
California	159,546	19,648	179,714	0	358,908
Colorado	11,261	6,422	89,886	0	107,569
Connecticut	0	0	0	0	0
Delaware	0	0	0	0	0
District of Columbia	0	0	0	0	0
Florida	0	2,654	102,302	0	104,955
Georgia	7,944	68,970	347,466	14,544	438,924
Guam	0	0	0	0	0
Hawaii	0	3,768	180,236	0	184,004
Idaho	0	24,256	69,483	0	93,739
Illinois	5,099	15,680	367,409	0	388,188
Indiana	0	0	101,297	0	101,297
Iowa	58,045	22,593	140,169	30,627	251,434
Kansas	3,600	19,550	142,544	0	165,695
Kentucky	0	21,156	172,537	0	193,693
Louisiana	0	722,293	15,962	0	738,256
Maine	0	3,265	618	0	3,883
Maryland	0	0	0	0	0
Massachusetts	0	1,497	33,878	0	35,375
Michigan	12,051	58,767	639,958	0	710,776
Minnesota	2,702	101,344	1,079,056	64,610	1,247,711
Mississippi	6,375	135,946	53,298	0	195,618
Missouri	0	13,994	62,896	0	76,890
Montana	0	40,410	399,179	0	439,589
Nebraska	0	58,212	1,075,175	0	1,133,386
Nevada	0	0	0	0	0
New Hampshire	0	4,816	0	0	4,816
New Jersey	0	0	0	0	0
New Mexico	0	109,622	122,434	0	232,056
New York	5,701	2,648	18,713	0	27,062
North Carolina	0	0	145,615	0	145,615
North Dakota	24,405	223,542	425,509	0	673,456
Northern Mariana Is.	0	0	0	0	0
Ohio	0	0	60,527	19,560	80,087
Oklahoma	0	88,503	0	2,595	91,098
Oregon	0	0	0	0	0
Pennsylvania	4,846	12,233	38,778	0	55,857
Puerto Rico	0	0	0	0	0
Rhode Island	0	0	0	0	0
South Carolina	0	23,036	25,418	2,597	51,051
South Dakota	1,687	24,137	806,614	233	832,671
Tennessee	0	6,700	159,860	0	166,560
Texas	0	879,592	16,310	0	895,902
Utah	0	118,935	318,209	0	437,145
Vermont	0	22,120	60,533	0	82,653
Virgin Islands	0	41,465	0	0	41,465
Virginia	0	8,090	254,434	0	262,524
Washington	0	3,574	32,381	0	35,954
West Virginia	3,662	12,720	75,790	0	92,172
Wisconsin	459,091	183,097	1,140,415	228,170	2,010,774
Wyoming	0	15,102	59,554	0	74,656
Totals	\$805,153	\$15,266,288	\$17,965,181	\$362,936	\$34,399,557

Note: Disbursements through June 30, 2007. Because of the appeals process, funding commitments and disbursements may be made after the program year ended.  
Source: USAC data. Rollups performed by the Industry Analysis and Technology Division, Wireline Competition Bureau, FCC.

**Table 5.3**  
**Disbursements by Service Speeds Acquired by Rural Health Care Providers**  
**Funding Year 2006: July 1, 2006 through June 30, 2007**

State	Voice Grade	Broadband		Other Service or Speed Unknown	Total
	56K to 199K	200K to 1.49Mb	1.5Mb and faster		
Alabama	\$0	\$0	\$0	\$0	\$0
Alaska	0	4,194,974	2,685,066	0	6,880,041
American Samoa	0	0	0	0	0
Arizona	0	750	132,961	0	133,711
Arkansas	0	1,472	0	0	1,472
California	0	27,213	11,496	0	38,709
Colorado	0	377	0	0	377
Connecticut	0	0	0	0	0
Delaware	0	0	0	0	0
District of Columbia	0	0	0	0	0
Florida	0	1,036	10,483	0	11,519
Georgia	4,299	3,343	209,358	9,968	226,967
Guam	0	0	0	0	0
Hawaii	0	0	0	0	0
Idaho	0	480	25,909	0	26,389
Illinois	0	8,308	135,351	0	143,659
Indiana	10,672	784	11,281	0	22,737
Iowa	0	6,209	37,917	0	44,126
Kansas	0	10,754	4,696	0	15,450
Kentucky	1,067	4,408	2,304	0	7,779
Louisiana	0	16,019	20,358	0	36,377
Maine	0	0	0	0	0
Maryland	0	0	0	0	0
Massachusetts	0	2,063	41,380	0	43,443
Michigan	0	5,974	39,344	0	45,318
Minnesota	3,300	36,792	282,852	0	322,944
Mississippi	8,139	5,040	2,040	0	15,220
Missouri	0	2,735	50,600	0	53,335
Montana	0	758	143,715	0	144,473
Nebraska	0	3,535	484,013	0	487,548
Nevada	0	0	0	0	0
New Hampshire	0	0	0	0	0
New Jersey	0	0	0	0	0
New Mexico	0	1,007	10,729	0	11,736
New York	0	3,837	33,142	0	36,979
North Carolina	221	1,710	0	0	1,931
North Dakota	0	193,345	85,007	0	278,353
Northern Mariana Is.	0	0	0	0	0
Ohio	0	0	0	17,930	17,930
Oklahoma	0	2,363	0	0	2,363
Oregon	0	0	0	0	0
Pennsylvania	0	1,323	0	0	1,323
Puerto Rico	0	0	0	0	0
Rhode Island	0	0	0	0	0
South Carolina	0	17,178	0	11,992	29,170
South Dakota	0	402	549,295	0	549,697
Tennessee	0	0	54,915	0	54,915
Texas	0	0	0	0	0
Utah	0	45,001	117,517	0	162,517
Vermont	0	17,308	59,049	0	76,357
Virgin Islands	0	42,702	0	0	42,702
Virginia	0	4,642	91,563	14,131	110,335
Washington	0	2,012	0	0	2,012
West Virginia	0	0	3,531	0	3,531
Wisconsin	87,233	16,119	129,644	0	232,996
Wyoming	0	0	43,448	0	43,448
<b>Totals</b>	<b>\$114,931</b>	<b>\$4,681,973</b>	<b>\$5,508,965</b>	<b>\$54,021</b>	<b>\$10,359,890</b>

Note: Disbursements through June 30, 2007. Because of the appeals process, funding commitments and disbursements may be made after the program year ended.

Source: USAC data. Rollups performed by the Industry Analysis and Technology Division, Wireline Competition Bureau, FCC.

**Table 5.4**  
**Disbursements per Person for Rural Health Care Support Mechanism, by State**  
**Values in Thousands, Except Disbursements per Person in Rural Areas**

**Funding Year 2004: July 1, 2004 through June 30, 2005**

State or Jurisdiction	USAC Disbursements on Behalf of Rural Health Care Providers	Population in Rural Areas <sup>1</sup>	Disbursements Per Person in Rural Areas
Alabama	\$17	1,407	\$0.01
Alaska	16,312	367	44.49
American Samoa	0	57	0.00
Arizona	1,016	954	1.07
Arkansas	104	1,435	0.07
California	527	2,521	0.21
Colorado	136	777	0.18
Connecticut	0	334	0.00
Delaware	0	157	0.00
District of Columbia	0	0	NA
Florida	166	1,427	0.12
Georgia	207	2,520	0.08
Guam	0	155	0.00
Hawaii	243	335	0.72
Idaho	116	862	0.14
Illinois	542	1,878	0.29
Indiana	135	1,691	0.08
Iowa	205	1,600	0.13
Kansas	492	1,193	0.41
Kentucky	840	2,069	0.41
Louisiana	8	1,111	0.01
Maine	38	854	0.04
Maryland	0	385	0.00
Massachusetts	2	335	0.00
Michigan	661	1,769	0.37
Minnesota	983	1,594	0.62
Mississippi	164	1,821	0.09
Missouri	86	1,799	0.05
Montana	506	705	0.72
Nebraska	740	811	0.91
Nevada	35	305	0.12
New Hampshire	5	380	0.01
New Jersey	0	0	NA
New Mexico	206	856	0.24
New York	7	1,537	0.00
North Carolina	190	2,612	0.07
North Dakota	551	367	1.50
Northern Mariana Islands	0	69	0.00
Ohio	178	2,139	0.08
Oklahoma	157	1,378	0.11
Oregon	38	977	0.04
Pennsylvania	58	1,893	0.03
Puerto Rico	0	3,859	0.00
Rhode Island	0	55	0.00
South Carolina	39	1,205	0.03
South Dakota	511	503	1.02
Tennessee	82	1,827	0.04
Texas	437	3,280	0.13
Utah	641	531	1.21
Vermont	32	448	0.07
Virgin Islands	112	109	1.03
Virginia	351	1,503	0.23
Washington	71	1,136	0.06
West Virginia	98	1,043	0.09
Wisconsin	1,348	1,757	0.77
Wyoming	108	354	0.31
<b>Totals</b>	<b>\$29,501</b>	<b>58,795</b>	<b>\$0.50</b>

Note: Disbursements through June 30, 2007. Because of the appeals process, funding commitments and disbursements may be made after the program year ended.

<sup>1</sup> Population in entirely rural counties as of April 1, 2000 from the Census Bureau. Some commitments were allowed in non-rural counties in areas affected by the Goldsmith Modification. See 47 C.F.R. § 54.5. For those counties, the 2000 rural population has been estimated.

Source: USAC data. Rollups performed by the Industry Analysis and Technology Division, Wireline Competition Bureau, FCC.

**Table 5.4**  
**Disbursements per Person for Rural Health Care Support Mechanism, by State**  
**Values in Thousands, Except Disbursements per Person in Rural Areas**

*Funding Year 2005: July 1, 2003 through June 30, 2006*

State or Jurisdiction	USAC Disbursements on Behalf of Rural Health Care Providers	Population in Rural Areas <sup>1</sup>	Disbursements Per Person in Rural Areas
Alabama	\$299	1,407	\$0.21
Alaska	19,815	367	54.04
American Samoa	0	57	0.00
Arizona	991	954	1.04
Arkansas	31	1,435	0.02
California	359	2,521	0.14
Colorado	108	777	0.14
Connecticut	0	334	0.00
Delaware	0	157	0.00
District of Columbia	0	0	NA
Florida	105	1,427	0.07
Georgia	439	2,520	0.17
Guam	0	155	0.00
Hawaii	184	335	0.55
Idaho	94	862	0.11
Illinois	388	1,878	0.21
Indiana	101	1,691	0.06
Iowa	251	1,600	0.16
Kansas	166	1,193	0.14
Kentucky	194	2,069	0.09
Louisiana	738	1,111	0.66
Maine	4	854	0.00
Maryland	0	385	0.00
Massachusetts	35	335	0.11
Michigan	711	1,769	0.40
Minnesota	1,248	1,594	0.78
Mississippi	196	1,821	0.11
Missouri	77	1,799	0.04
Montana	440	705	0.62
Nebraska	1,133	811	1.40
Nevada	0	305	0.00
New Hampshire	5	380	0.01
New Jersey	0	0	NA
New Mexico	232	856	0.27
New York	27	1,537	0.02
North Carolina	146	2,612	0.06
North Dakota	673	367	1.83
Northern Mariana Islands	0	69	0.00
Ohio	80	2,139	0.04
Oklahoma	91	1,378	0.07
Oregon	0	977	0.00
Pennsylvania	56	1,893	0.03
Puerto Rico	0	3,859	0.00
Rhode Island	0	55	0.00
South Carolina	51	1,205	0.04
South Dakota	833	503	1.66
Tennessee	167	1,827	0.09
Texas	896	3,280	0.27
Utah	437	531	0.82
Vermont	83	448	0.18
Virgin Islands	41	109	0.38
Virginia	263	1,503	0.17
Washington	36	1,136	0.03
West Virginia	92	1,043	0.09
Wisconsin	2,011	1,757	1.14
Wyoming	75	354	0.21
<b>Totals</b>	<b>\$34,400</b>	<b>58,795</b>	<b>\$0.59</b>

Note: Disbursements through June 30, 2007. Because of the appeals process, funding commitments and disbursements may be made after the program year ended.

<sup>1</sup> Population in entirely rural counties as of April 1, 2000 from the Census Bureau. Some commitments were allowed in non-rural counties in areas affected by the Goldsmith Modification. See 47 C.F.R. § 54.5. For those counties, the 2000 rural population has been estimated.

Source: USAC data. Rollups performed by the Industry Analysis and Technology Division, Wireline Competition Bureau, FCC.

## 6. Subscribership and Penetration

The number and percentage of households that have telephone service represent the most fundamental measures of the extent of universal service. Continuing analysis of telephone penetration statistics allows us to examine the aggregate effects of Commission actions on households' decisions to maintain, acquire or drop telephone service. This section presents comprehensive data on telephone penetration statistics from the Current Population Survey (CPS) collected three times a year by the Bureau of the Census under contract with the Federal Communications Commission.<sup>1</sup> Along with telephone penetration statistics for the United States and each of the states from November 1983 to March 2007, data are provided on penetration based on various demographic characteristics. This section also presents historical data from the decennial census and annual data from the American Community Survey (ACS) collected by the Bureau of the Census. This section also updates information on telephone penetration by income by state.<sup>2</sup> This information is designed to help evaluate the degree of success of making telephone service available to low-income households in each state.

The most widely used measure of telephone subscribership is the percentage of households with telephone service, sometimes called a measure of telephone penetration. Prior to 1980, precise measurements of telephone subscribership received little attention. Historical estimates of telephone penetration were based on a comparison of the number of residential main stations to the number of households or housing units. Measures of penetration based on the number of residential lines, however, became subject to a large margin of error as more and more households added second telephone lines and more consumers acquired second homes. By 1980, the traditional measure of penetration (residential lines divided by the number of households) reached 96%, while the proportion of households reporting that they had telephones in the 1980 census was 92.9%.

Recognizing the need for more precise periodic measurements of subscribership, the Commission requested that the Census Bureau include questions on telephone availability as part of its CPS, which monitors demographic trends between the decennial censuses. This survey is a staggered panel survey in which the people residing at particular addresses are included in the survey for four consecutive months in one year and the same four months in the following year. Use of the CPS has several advantages: it is conducted every month by an independent and expert agency; the sample is large; and the questions are consistent. Thus, changes in the results can be compared over time with a reasonable degree of confidence.

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1 This information was included in Industry Analysis and Technology Division, Wireline Competition Bureau, Federal Communications Commission, *Telephone Subscribership in the United States* (June 29, 2007). That report is updated three times a year.

2 This information was included in Industry Analysis and Technology Division, Wireline Competition Bureau, Federal Communications Commission, *Telephone Penetration by Income by State* (May 8, 2007). That report contains information on the number of households in each state as well as the percentages reported here.



In the 1980 decennial census, the question "Do you have a telephone?" was added to the long-form questionnaire. The same question was used in 1990. With the telephone companies no longer owning the telephone instruments beginning in 1984, it is possible for someone to have a telephone but not have service. Therefore, the question was changed in 2000 to avoid the possible bias from having a phone but no service. In the 2000 decennial census, the question was changed to "Is there telephone service available in this [housing unit] from which you can both make and receive calls?" The question also allows for the possibility of the substitution of wireless service for wireline service. Beginning in 2001 the Census Bureau introduced the ACS, which was designed to replace the long form of the decennial census. Unfortunately, the results of the CPS cannot be directly compared with the penetration figures contained in the 1980, 1990, and 2000 decennial censuses or the ACS. This is due to differences in sampling techniques and survey methodologies, and because of differences in the context in which the questions were asked. Also, the CPS uses households as the basis of measurement, while the decennial census and the ACS use occupied housing units instead. For example, the 2000 decennial census reported 97.6% of all occupied housing units in the United States had telephone service available, whereas the CPS data showed a penetration rate of 94.6% of households for March 2000. This difference is statistically significant and appears to indicate that the CPS value may be on the low side and the decennial census value may be on the high side, with the most probable value lying somewhere in between.

The decennial census data have the advantage of using much larger samples than the CPS because they are based on a sample of one-in-six households that filled out the Census Bureau's long form. This makes it possible to look at long-run trends for small minority groups. For example, statistics from the 2000 census estimated that 67.9% of all American Indian households living on federally recognized reservations and trust lands had telephone service, as compared with 46.6% estimated from the 1990 census.<sup>3</sup>

The specific questions asked in the CPS are: "Does this house, apartment, or mobile home have telephone service from which you can both make and receive calls? Please include cell phones, regular phones, and any other type of telephone."<sup>4</sup> And, if the answer to the first question

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3 For more information, see the report Industry Analysis and Technology Division, Wireline Competition Bureau, Federal Communications Commission, *Telephone Subscribership on American Indian Reservations and Off-Reservation Trust Lands* (May 5, 2003).

4 The questions are intended to be neutral as to whether the household has wireline or wireless phones. Through November 2004, this question had been worded: "Is there a telephone in this house/apartment?" Because of the increasing number of households that have wireless only, there was some concern that some of these households may not think of their cell phones when asked if they have a telephone. Consequently, beginning in December 2004, CPS changed its telephone question to the wording given above. It is possible that some of the drop in the penetration rate between November 2004 and March 2005 is for households who had a phone, but did not have service.

is "no," this is followed up with, "Is there a telephone elsewhere on which people in this household can be called?" If the answer to the first question is "yes," the household is counted as having a telephone "in unit." If the answer to either the first or second question is "yes," the household is counted as having a telephone "available." The "in unit" data and the "available" data are reported in Tables 6.9 through 6.13 and 6.15 through 6.19, and Charts 6.1 and 6.8. All of the remaining tables and charts of this section just report the "in unit" data.

Although the survey is conducted every month, not all questions are asked every month. The telephone questions are asked once every four months: in the month that a household is first included in the sample and in the month that the household reenters the sample a year later. Since the sample is staggered, the reported information for any given month actually reflects responses over the preceding four months. Aggregated summaries of the responses are reported to the Commission, based on the surveys conducted through March, July, and November of each year. The CPS later provides the Commission with the raw data files containing all of the responses to all of the questions on the CPS questionnaires in those months.<sup>5</sup>

The CPS data are based on a nationwide sample of about 50 to 60 thousand households in the 50 states and the District of Columbia. (The CPS does not cover outlying areas that are not states, such as Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Northern Mariana Islands.) Because a sample is used, the estimates are subject to sampling error. For the nationwide totals, changes in telephone penetration between consecutive reports of less than 0.4% may be due to sampling error and cannot be regarded as statistically significant.<sup>6</sup> As explained below, when comparing the same month in two consecutive years, changes of less than or equal to 0.3% are not statistically significant. When comparing annual averages, changes of less than or equal to 0.2% are not statistically significant. The annual averages are the average of the three surveys of the year in question. For individual states or other subgroups of the U.S. population, the amount of sampling variability is much greater, because the sample sizes are smaller. This will require larger changes to yield statistical significance at the same confidence level.

The data in this section are not seasonally adjusted. Because there is a fifty percent overlap in the sample with the sample for the same month in the previous year, there is a high correlation between values a year apart. However, after accounting for this, there has been no significant systematic seasonal variation.

Once a year, in March, the CPS supplements its survey with additional questions, which include detailed information about income, and augments its sample with about 2,500 additional Hispanic households. Starting in 2001, the sample was further augmented with about 20,000

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5 Tables 6.3 through 6.5, 6.11, and 6.17 of this section are derived from these raw data files.

6 The determination of the statistical significance of a change over time is discussed below. The critical value is dependent on the sizes of the samples from which the change is computed and by the confidence level, which is 95% here.

additional households with children.<sup>7</sup> The more detailed information from the March surveys makes it possible to adjust the income categories for inflation, and therefore make the purchasing power within each category stable over time. In the July and November surveys, only broad income categories are reported. (These are the categories that appear in Table 6.10.)

The Commission's Lifeline support mechanism was instituted in 1984 to help low-income households afford the monthly cost of telephone service. Under the federal Lifeline support mechanism, telephone companies offer reduced rates to qualifying households and receive reimbursement from the federal universal service support mechanisms. Initially, Lifeline was available only in those states that chose to participate by providing matching assistance.

Effective in 1998, the federal Lifeline support mechanism was revised so that a basic level of assistance would be provided in all states.<sup>8</sup> Additional federal support is also provided wherever a state chooses to provide matching assistance, at a rate of \$1 in federal support for each \$2 of state matching support, up to a maximum of \$1.75 federal support (corresponding to \$3.50 of state matching support). States may provide further support without further matching federal assistance.<sup>9</sup>

### **Results and Statistical Analysis**

Census Bureau figures for March 2007 show that the percentage of households subscribing to telephone service is 94.6%. This is a statistically significant increase of 1.8% from the 92.8% of March 2006. The average penetration rate for the year 2006 was 93.6%, which is a statistically significant increase of 0.5% from the 2005 average of 93.1%.

This section includes figures showing subscribership percentages by state, by the head of the household's age and race<sup>10</sup>, by household size, by income, and for adult individuals by labor

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7 The responses from the additional Hispanic households and households with children are not included in Tables 6.1, 6.3, and 6.7 through 6.11. Thus, in some cases, there may be small discrepancies between the percentages in those tables and the percentages in Tables 6.4 through 6.6 and 6.12.

8 The basic federal Lifeline support level is the subscriber line charge plus \$1.75 per line per month. Eligible subscribers living on tribal lands may receive up to \$25 additional Lifeline support as long as they pay at least \$1 a month for local phone service, after the discount.

9 A few states provide state Lifeline support that generally exceeds \$3.50. In addition, in other states the amount of state support is whatever is required to bring the local service cost to a certain price level, which could mean support in excess of \$3.50 for customers of companies with high local rates.

10 The racial categories reported in the CPS are white, black, and other. The "other"